GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:1910
ANSWERED ON:26.07.2002
SUGAR IN GODOWNS OF KARNATAKA
KOLUR BASAVANAGOUD

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the quantity of sugar lying idle in godowns in Karnataka without being lifted as on date;

(b) the reasons for the glut in the sugar production in Karnataka;

(c) whether the Karnataka Government have sought Centre`s aid to tackle the sugar glut;

(d) if so, the amount of Central Assistance sought; and

(e) the steps taken by the Government to help Karnataka to tackle the glut in sugar productions?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (S SREENIVASA PRASAD)

(a): As per information received from the sugar mills of Karnataka State, as on 7th June, 2002, there was 11.44 lakh tonnes of stocks of sugar with the sugar mills, as against 13.62 lakh tonnes on the corresponding date of the previous season.

(b): Due to high level of production during the last 3 successive sugar seasons and the current season, the stocks of sugar have progressively increased over these years. The Government have taken following steps for liquidating the stocks of the sugar mills:-

(I) Export of sugar has been allowed: In order to boost export of sugar, the following measures have been announced:-

(a) Levy exemption has been given on the quantity of sugar exported.

(b) The quantity of sugar exported is treated as advance free sale release and is adjusted after a period of 18 months.

(c) Duty Entitlement Pass Book (DEPB) @ 4% value of F.O.B. price of sugar exported.

(d) Quantitative ceiling on export of sugar has been removed.

(II) Advance free sale sugar is given to the needy sugar mills.

(c),(d)&(e): Government of Karnataka had requested for grant of advance free sale quota of 33,200 MTs. for 10 sugar factories of the State to clear cane price arrears.

Keeping in view the guidelines in vogue for grant of advance free sale quota, a quantity of 10,000 MTs. of advance free-sale quota was released to the aforesaid number of sugar factories of the State of Karnataka.